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# TOD AS AN ECONOMIC DEVELOPMENT STRATEGY IN THE MID-HUDSON REGION March 27, 2013

### (1) Highlights

- The Mid-Hudson Regional Economic Development Council's Strategic Plan recognizes that compact, mixed-use, mixed-income development centered on public transit (Transit-Oriented Development or TOD) is a critical sustainable, economic development strategy for the Region.
- The Mid-Hudson REDC has prioritized TOD projects for State funding.
- The Mid-Hudson Regional Sustainability Plan, a corollary regional planning effort to promote sustainable economic development in the Region, also recognizes the importance of TOD as an essential sustainability strategy to reduce land consumption, lessen vehicular trips, and reduce greenhouse gas emissions.
- Municipalities that seek to advance TOD through their planning, zoning and project initiatives, will position themselves to receive priority consideration for State funding under both the Consolidated Funding Application (CFA) process and the resources committed to implementing the Mid-Hudson Regional Sustainability Plan.

# (2) Introduction

The Mid-Hudson Region of New York is fortunate to have a robust transit system with connections among its urban centers. This system and the linkages among cities serve as critical assets for the Region's future sustainable, economic growth. Focusing development in the Region's urban centers, particularly in those areas around existing transit stops (i.e., transit-oriented development or TOD), will allow the Region to take advantage of these assets while also reducing the environmental impacts of the Region's previous sprawling development pattern.

Two regional planning efforts and supportive State funding will help advance urban-centered, transit-oriented growth in the Mid-Hudson Region. This document highlights those aspects of the regional planning documents that promote and encourage such development and indicates how aligning municipal plans, zoning and projects with the objectives of these documents will aid local governments in receiving priority funding consideration for their initiatives.

#### (3) Mid-Hudson Regional Economic Development Council - Strategic Plan

The Mid-Hudson Regional Economic Development Council (REDC) was one of ten regional councils established by Governor Cuomo in 2011, which were charged with developing economic development strategies for their respective regions. The Mid-Hudson REDC adopted its Five-Year Strategic Plan in 2011 and streamlined the document in 2012, through the evaluation of the first stages of implementation.

The Strategic Plan is organized around 15 goals and their attendant strategies. It contains a number of provisions that highlight the importance of urban-centered, transit-oriented development as a key economic development strategy for the Region:

- Under Goal II (p. 36), "Undertake initiatives to retain and stimulate more mature industries such as distribution, financial and professional services, food and beverage, and health care, as these sectors represent large, vital anchor industries in the Mid-Hudson economy," the Plan identifies two relevant strategies:
  - ➤ Identify locations for siting, particularly those that would support viability of revitalization or Transit-Oriented Development (TOD) projects, and otherwise enhance growth in the sector; and
  - ➤ Encourage significant governmental commitment to infrastructure improvements (local access roads, parking, utility upgrades) to enhance the viability of TOD opportunities along existing rail corridors in the region (see Goal IV).
- Likewise, under Goal IV (p. 41), "Improve key regional infrastructure to make the region more business-ready," the Plan identifies two relevant strategies:
  - Promote infrastructure investments in priority growth areas and established city or village centers to take advantage of our region's existing infrastructure (see Goal VI); and
  - ➤ Support Transit Oriented Developments (TODs) to provide more sustainable, mixed-used development around transportation hubs. TODs can improve public transportation, generate jobs, expand the tax base, and establish a base of retail establishments and housing options.
- Similarly, with respect to Goal V (p. 42), "Foster housing investment to attract jobs to the region, create construction jobs, and support the overall health of the regional economy through a vibrant housing market," the Strategic Plan notes the importance of compact, mixed-use, mixed-income, transit-oriented development to achieve sustainable economic growth:
  - Develop housing near mass transportation for easy access to New York City;
  - Promote affordable and workforce housing development by:
    - A. Procuring financing and grants to leverage and maximize funding from local, state, and federal resources to subsidize capital and operating costs to achieve the most affordable rent levels or purchase price;
    - B. Assisting municipalities in creating Inclusionary Zoning Ordinances and maximizing local tax incentives through available NYS Real Property Tax Laws;

C. Developing housing in locations where infrastructure is available (see Goal IV); utilizing existing industrial, commercial, or institutional buildings under adaptive reuse and locating housing near mass transit.

- Finally, under Goal VI (p. 43), "Support the revitalization of our urban centers as engines of regional prosperity," the Strategic Plan highlights the important role that focusing growth in these areas will advance the Region's economic prosperity:
  - ➤ Target regional growth in urban centers, whose compact, mixed-use development pattern creates an opportunity for growth that is sustainable, cost-effective, energy-and natural resource-conserving, climate friendly, affordable, and attractive to young workers (see Goal XII).
  - ➤ Promote the redevelopment of vacant and distressed properties, as well as the removal of blight and impediments to revitalization, by expanding state land bank legislation to cities that demonstrate the capacity to administer an integrated distressed property remediation program.
  - ➤ Encourage a State commitment to making improvements to existing infrastructure in urban centers more cost effective (see Goal IV).
  - Attract investment and lay the foundation for transformative projects in urban centers by encouraging economic development planning, promoting development readiness, and streamlining the development process.
  - ➤ Provide strategic implementation workshops and training programs in urban centers involving land use board members and economic development staff to build understanding of new standards, programs, and processes, and to enhance collaborative decision-making skills to facilitate an expedited development process.

# (4) Mid-Hudson REDC Progress Report, September 2012

The REDC recognizes that the revitalization of the Region's urban centers continues to be a key economic development initiative for its 2012-2013 year. As part of this initiative, the REDC understands that TOD is an important strategy in achieving this objective. Under its core strategy to revitalize regional infrastructure, REDC has identified two actions that will aid municipalities in achieving this initiative:

- Promoting infrastructure investments in priority growth areas and established city or village centers to take advantage of region's existing infrastructure (p. 76);
- Supporting TOD to provide more sustainable, mixed-used development around transportation hubs. TODs can improve public transportation, generate jobs, expand the tax base, and establish a base of retail establishments and housing options (p. 82).

The REDC has begun pursuing these actions. During the 2012 Consolidated Funding Application (CFA) process, the REDC identified as priorities for funding two TOD projects. The Dover Knolls project in Wingdale (Dutchess County), live-walk-work, mixed-use TOD project, received \$2 million in funding to support necessary infrastructure upgrades. The development consists of 1,372 residential units, 200,000 square feet of commercial space, and recreational amenities

including a trail system linking to the Appalachian Trail, a nine-hole golf course, a clubhouse, and boating and fishing. The site is located on approximately 1,000 acres of the former Harlem Valley Psychiatric Center. The first phase of construction includes upgrading the Metro-North train station at the site and building a commercial retail area, refurbishing the existing nine-hole golf course, and constructing a community center and 200 units of housing.

The second project identified as a priority by the REDC is the Mill Street Courtyard project in downtown Yonkers that is approximately two blocks east of the Metro-North train station. It also received \$2 million also during the 2012 round of CFA funding.

#### (5) Mid-Hudson Regional Sustainability Plan

As a corollary to the Regional Economic Development Strategies developed by the ten REDCs, Governor Cuomo announced \$10 million in State funding to support development of sustainability plans for each region. The Mid-Hudson Regional Sustainability Plan (the Plan) was developed as part of New York State Energy Research and Development Authority (NYSERDA) Cleaner, Greener Communities program, intended to empower the regions to take charge of sustainable development in their communities by identifying and funding smart growth practices.

Upon announcement of the Cleaner, Greener Communities program, leaders from the Mid-Hudson Region came together to form a planning Consortium. The Consortium was led by a number of the Mid-Hudson Region's counties along with several non-governmental partners. The Mayors' Redevelopment Roundtable (MRR) participated in this effort as a founding member of the Consortium and served on its governing committee. Throughout the planning process Mayors Foster and Kennedy and the Land Use Law Center represented the MRR.

The final draft of the Mid-Hudson Regional Sustainability Plan was completed in March 2013. It sets out a vision for sustainable development that builds on the Region's unique social, cultural, and natural history and provides strategies for Plan implementation that seek to promote economic development, environmental sustainability, and an enhanced quality of life for the more than two million residents that call the Region home. Like the REDC's Strategic Plan, the Sustainability Plan identifies compact, mixed-use, mixed income development focused on urban centers with public transit as a key sustainable, economic development policy.

The Plan includes a number of objectives and strategies that serve to advance this policy, particularly in the chapter on Land Use, Livable Communities and Transportation. In that chapter, a primary objective is to "Strengthen centers supported by transit, by concentrating development in areas with existing services, infrastructure, employment opportunities, and multiple transit options" (p. 4-1). To achieve this objective, the plan sets forth several strategies, including:

• Revitalizing the Region's centers that are serviced by mass transit. These centers are, or have the potential to be, walkable places with multiple transportation options, allowing people to live, work, and travel in ways that minimize environmental impacts (p. 4-21).

- Directing growth to existing centers, which have capacity in their transit, roads, and utilities to absorb growth, making more efficient use of land and infrastructure and saving money. Increasing the density of existing centers will help protect open space from development pressure (p. 4-21);
- Ensuring that new development provides a diversity of housing options (p. 4-21).
- Making all of the Region's communities—whether urban, suburban, or rural—more sustainable and livable. A complete community is one where residents can access jobs, a diverse mix of services, schools, recreational opportunities, and open space within a short distance of their home without having to drive. Investing to make existing communities more complete will help lower household transportation costs, reduce fuel consumption, improve air quality, promote public health, and discourage sprawl (p. 4-21).

To implement these strategies, the Plan identifies a number of tools that municipalities should consider using, including:

- Implementing TOD
- Promoting Land Efficient Development (LED) compact, mixed-use, center-based development where public transit does not exist
- Expanding and upgrading mass transit; and
- Improving streets, sidewalks, and trails to connect communities and promote non-motorized transportation (p. 4-1).

With respect to TOD, the Plan notes that all centers served by transit should be explored for new opportunities to promote TOD. The Plan explains that there is an opportunity to use TOD to help improve the balance between jobs and housing in a locality, and to correct for housing shortages. Moreover, for TOD to be successful, it needs to be planned as part of a broader strategy to create complete communities, so that there is quality green space, schools, parks, and services within walking distance. To highlight this tool, the Plan provides several example projects, including the New Rochelle Transit Center TOD Zone (currently being drafted); the Downtown Harrison TOD plan; and the proposed TOD project at the Harriman/Woodbury Commons Metro-North train station (pp. 4-28 to 4-29).

The Plan also discusses a number of techniques that municipalities can use to promote the compact, mixed-use, mixed-income development that is central to the Region's future growth. Most importantly, the Sustainability Plan notes that many of the proposed initiatives will not be able to proceed unless they are called for in local comprehensive plans and permitted under existing zoning regulations. To that end, the Plan recommends that municipalities consider:

- Zoning for higher densities and mixed uses;
- Reducing parking requirements or instituting shared parking for TOD and LED projects;
- Implementing fee waivers or expedited processing for projects meeting certain sustainability criteria;
- Lowering minimum acreage requirements and/or authorizing cluster zoning;
- Implementing Transfer of Development Rights (TDR);
- Allowing the construction of 'secondary suites';

- Authorizing district energy or on-site power generation;
- Adopting neighborhood design criteria that encourage compact development and interactive streetscapes; and
- Adopting green building criteria for new development or major renovations (p. 4-30).

#### (6) State Funding Opportunities

By participating in the Sustainability Plan's implementation, municipalities may position themselves to maximize the opportunities to harvest both funding opportunities and other State resources. Where that implementation occurs through intermunicipal cooperation, the regional planning documents make clear that opportunities are greatly enhanced.

• Consolidated Funding Application (CFA)

As noted above, Governor Cuomo has reorganized and streamlined the process by which many State agencies allocate grant funds. The economic strategic plans crafted by the regional economic development councils serve as an important basis for allocating funding CFA process.

Due to the Regional Sustainability Plan's association with and support for the Mid-Hudson Regional Economic Development Strategy, many potential sustainability projects proposed by local governments will align with both documents. Where that circumstance exists, CFA applicants increase the chance of scoring higher during project evaluations. The REDC may award up to 20 percent of a project's total points during the funding selection process where those projects are supportive of the policies and priorities championed by the regional Economic Development Strategy.

• Phase II of Cleaner, Greener Communities Program

As part of the Cleaner, Greener Communities program, the New York State NYSERDA will be awarding a total of up to \$90 million in grants under Phase II of the program. Those projects that further urban center revitalization and TOD objectives of the Sustainability Plan and that provide the greatest opportunity to reduce GHG emissions, save energy and deploy renewable energy, while improving the economic and environmental health of the State's communities will score higher in the State's evaluation. By proposing projects that support the Mid-Hudson Regional Sustainability Plan and further its principles, local governments will better position themselves to access these funds.

As noted above, TOD is a critical strategy to achieving the compact, mixed-use, mixed-income development that both Plans recognize is essential to fostering sustainable, regional economic growth. Where municipalities advance projects that utilize this strategy, particularly through intermunicipal cooperation, there is a greater likelihood that such projects will receive priority consideration during State funding consideration.